

ALBERTA

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BUDGET SPEECH

OF

THE HON. R. G. REID

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on February 20

1931

IN THE

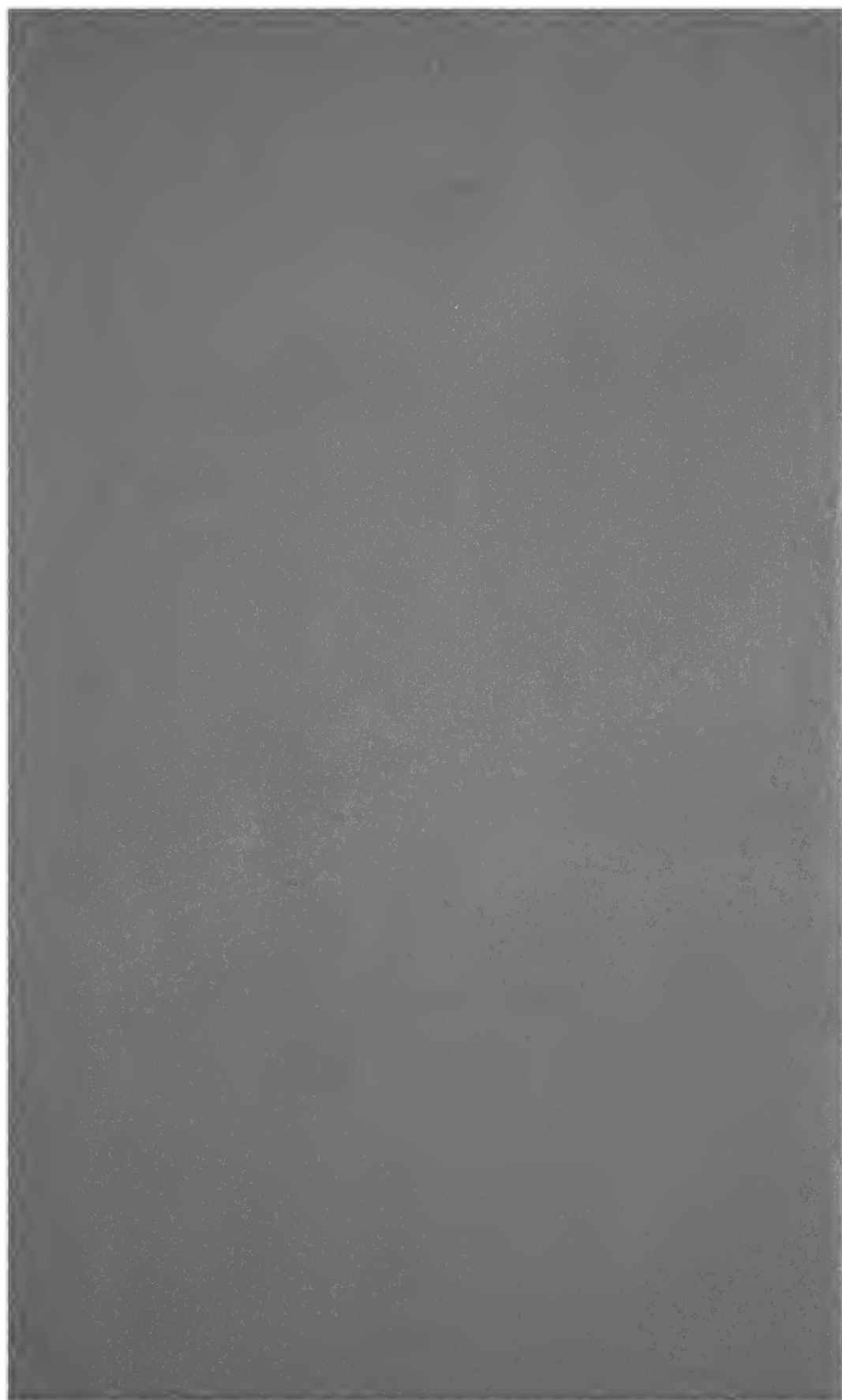
LEGISLATIVE ASSEMBLY OF ALBERTA

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF FINANCIAL AND GENERAL
INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

EDMONTON:
W. D. McLEAN, KING'S PRINTER
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TREASURER OF THE PROVINCE OF ALBERTA

February 20, 1931

MR. SPEAKER:

No statement of the financial position of the Province would be complete without some reference to the extraordinary economic conditions prevailing throughout the world at the present time. This Province has been no exception, but the nature of our productive wealth has introduced new complications, which have intensified the hardships which usually go with cycles of depression.

The Spring of 1930 opened with an almost total absence of moisture in the soil, and while seeding conditions were fair, there ensued a period of high winds which caused a blowing-out of the crop in many districts of the Province, where this form of crop hazard has been rare. This, too, came at a time when re-seeding to a cash crop was inadvisable owing to the lateness of the season. There was, therefore, a much larger acreage than usual sown to green feed on the blown-out lands.

The rest of the growing season for the most part was normal, and harvesting proceeded at the usual time. Unseasonable storms, however, in October delayed threshing, and to some extent reduced the quality of the grain. While these unusual conditions were not so pronounced in the Province of Alberta as they were further East, there was much delay and expense in getting the crop into the bins. Later on, all effects of the storm disappeared, and threshing was satisfactorily completed.

Much more serious, however, than weather or crop conditions have been the price levels prevailing during the year for our main agricultural products, wheat and coarse grains. The rapidly declining prices of these commodities during the previous year had engaged the serious attention of this House during its last Session. That these prices would sink to levels so much lower than at any time since the early "Eighties" was not foreseen and the consequent effect upon the economic well-being of our Province is clearly made apparent when it is stated that the total agricultural production for the past year is estimated at only *\$161,221,178, as contrasted with \$242,052,089 for the previous year and \$264,607,299 in the year 1928. In other words the purchasing power of this industry has declined in two years by nearly \$104,000,000.

Owing to the unprecedented low prices for all grains, the necessity requiring the re-seeding of large acreages has not been without some advantage, since it has stimulated the purchase of stock for feeding purposes.

A comparative statement of Agricultural Production for the years 1929-1930 appears in Statement No. 1, Pages 16-17.

The farmers of the West have listened to much advice as to the necessity of diversifying their crop system. While there is, no doubt, a necessity for branching out into mixed farming for the purpose of securing a more balanced income from year to year, care must be taken not to rush from one extreme to the other. Study should be given to the nature of the soil, and to the rainfall in each area. There are districts where grain-growing alone will still have to be the main effort. There are ranching properties, suitable only for grazing, that should not depart from stock production. It is only in those parts of the Province where pasturage and hay crops can be rotated with grain crops that mixed farming may be advantageously adopted, but even in these districts, the change from old methods to new should be brought about gradually, since changes of this kind usually demand new capital and new experience. Before any wide system of credits, too, is brought into being, it would appear both necessary and advisable to study, not only where loans may be placed to advantage, but to determine first in each locality the kind of husbandry that can be followed with safety, and with a fair average profit to the grower from year to year.

With the prices of grain reduced, as they are, to almost half the cost of production, the farmer may be temporarily forced to return to almost primitive living conditions, i.e., to live off the land and have nothing to spend. This necessity will in turn react on business generally: for agriculture has been appropriately called the "Economic Heart of the World."

Having regard to the confused political and financial conditions throughout the world, it is more difficult to forecast the future than has been the case in former periods of depression. There have been, however, since the New Year, signs indicating that the bottom has been reached and that the pendulum has again started on its upward swing. Grain prices have somewhat strengthened and notwithstanding the uncertainty of the extent to which agriculture must face increasing foreign competition, a larger spirit of confidence does prevail, which possibly justifies us in expecting a better return for our first industry this year.

THE DAIRY INDUSTRY

We produced last year nearly 18¾ million dollars' worth of dairy products. The difficult grain-market situation has caused many of our farmers once more to turn their attention to dairying. The live stock survey in June last showed that there were 348,397 milk cows on farms in Alberta—an increase of nearly 3,000 head over the number reported in 1929.

The increase in the total milk production was, however, considerably greater than the reported rate of increase in the number of cows, and the Department of Agriculture estimates that the average milk production per cow has increased from five to six per cent and reached the 4,600-lb. mark in 1930, as against 4,300 lbs. in 1929, and 3,950 lbs. in 1928. The improved feed conditions throughout the greater part of the Province, coupled with the feeding of more grain and the lengthening of the milking period, will account for the greater part of the increase in milk production.

There were 93 butter factories and 8 cheese factories operating during the past year, with a production of 17,500,000 lbs. of butter,

and 980,000 lbs. of cheese, the creamery butter production being 10 per cent greater than that of 1929, and 22 per cent greater than that of 1928. The factory cheese production is practically equal to last year's.

The prices of dairy products, in common with grain prices, however, show a considerable decrease when compared with the prices of 1929, the selling price of creamery butter and cream marketed through the creameries, showing a decline of around 25 per cent for the year.

A YEAR OF EXPANSION AND DEVELOPMENT IN BEET-SUGAR PRODUCTION IN ALBERTA

In contrast to the downward trend of agricultural values already indicated, it is interesting to note that the year 1930 has been a record one in the Sugar-Beet Industry. It is estimated that contracts were secured last year by the factory at Raymond from 775 growers and that 14,500 acres were planted. Notwithstanding large losses occasioned by unfavorable weather conditions from October 14th to the 20th, some 100,000 tons of beets were sliced by the factory, which produced over 26,000,000 lbs. of Alberta Sugar. This is estimated at about one-half the total consumption of the Province. To dispose of this production, markets have been extended to Saskatchewan, where the product has been well received.

It may now be said that this industry is firmly established throughout the Irrigation District. This is more clearly indicated by the efforts now being made to provide additional factory facilities, especially in the Lethbridge Northern Irrigation Project. It is noteworthy that during 1930, the factory employed over 300 men and expended approximately \$1,407,000.

INDUSTRIAL DEVELOPMENT

There is one phase of Provincial development to which more and more attention will have to be paid in the future. I refer to industrial development. Progress in this field has shown a very large increase. Our agricultural development follows land settlement somewhat automatically. While it is true that industry follows an increasing demand for manufactured goods, it is also true that there may be some tardiness, even after there is the absorptive power to warrant new growth. For this reason, there is work to be done in an attempt to obtain development as soon as conditions are ripe for it. In many ways certain industries could be advantageously located in Alberta. There would be a large and populous area to be supplied and also unlimited supplies of cheap fuel and power. Present conditions may not be favourable to extension, but the factors I have mentioned will eventually exert their influence.

In the year in which the Province of Alberta was created, the value of manufacturing production in Alberta was \$4,979,000. After business had returned somewhat to normal, following the war, it had risen to \$60,064,000.

The statistics for the year 1928 show a production value exceeding \$100,000,000. It will be seen, therefore, that industrial production is now contributing largely to the wealth of the Prov-

ince and has in the past abnormal year mounted to the point where it becomes a competitor with agricultural production for the first time in the history of the Province.

CO-OPERATIVE CREDIT ACT

Under The Co-operative Credit Act, during the year, six new societies were formed at the following points in the Province :

Daysland, Killam, Strome, Lethbridge, Hastings Coulee and Wayne.

The societies now number 43, with a total membership of 1,667, an increase during the year of 298 members.

The amount loaned to members of the new societies totalled \$158,060.08, and repayments to the end of December, 1930, amounted to \$36,334.48, or approximately 24% of the total loans. The total membership of these societies is 210. The carry-over from 1929 was \$1,082,993.09. The total amount loaned during the year 1930, including interest, amounted to \$1,051,500.49, and repayments to the end of December, 1930, totalled \$385,958.11, the balance unpaid being \$1,748,535.47.

The subscribed capital of all societies as at December 31st, 1930, was \$219,600.00; Capital paid up, \$130,898.22; Common Sinking Fund, \$28,599.96.

Of the total amount loaned during the year, approximately \$151,000 was advanced for the purchase of seed and feed. The interest added amounted to over \$105,000. Taking into consideration the increase in membership, the individual loans show a decrease during the year.

Considering the prices received for grain this year and those of a year ago, I feel that the repayments made compare favorably with the amount repaid during 1929, but it has not been possible to improve the position of certain societies, and the carry-over is unavoidably higher than last year. Further payments from grain shipped will be made, and reductions will also be received from the sale of live stock during the present year. With the exception of a few cases, where members were hailed, we shall have no requests for seed or feed, and loans will be kept down to a minimum for the coming season.

The Co-operative Credit Act was passed in 1917, and was in line with similar legislation introduced in other provinces. Since the inception of the Act a total of \$6,413,509 has been loaned to farmers through the societies formed under this Act. Assistance was given to farmers, a big percentage of whom could not obtain any credit from banks or loan companies, and without such assistance many would have been unable to continue farming. Loans for the purpose of obtaining seed and feed have been made, which the Government would in all probability have been called upon to provide, had the societies not been in operation. During the past year \$151,000 was advanced through the societies for this purpose alone, and an acute situation was met to a large extent in many districts by the formation of new societies.

The original Act did not provide for any direct Government supervision of loans, and losses occurred in the Bertawan Society, which was the first to be formed in the Province. As a result, in 1921, by amendments to the Act, Government supervision was in-

stituted. Other changes to strengthen the Act were subsequently made, and in 1924 provision was made for the creation of a Reserve Fund as a further protection to the Government against any losses under its guarantee. However, the unfavorable crops in certain areas of the Province in 1928 and 1929 added to the liability of the Government under its guarantee. It became apparent that the original plan was not on a sound enough basis to stand all the tests to which it might be subjected. For this reason more competent supervision and assistance was obtained, so that a thorough survey of the situation might be made as a first step towards the complete re-organization of the Act.

The report of the Provincial Auditor concerning these societies, which is now before you for consideration, does not show an unfavorable position when compared with the results of similar legislation in other provinces. The report of the total loans outstanding on December 31st, 1930, is made under the most difficult conditions, particularly with respect to the prices received for grain of any kind; in fact, there is no record of similar prices in the history of the Province. In districts where they experienced practically total failures in 1928 and 1929, followed by a heavy crop last year that did not pay the cost of production, no improvement could be obtained.

Taking into consideration the adverse conditions during the past three years in many districts and the total amount loaned during the past ten years, the present position of the societies generally may be considered satisfactory, and some credit should be given for the position as shown, rather than criticism.

The need of productive credit for agricultural purposes exists today probably to a greater degree than when the present Act was introduced, and the results of over ten years' experience would indicate that the work can be continued under modified conditions, with safety to the Government and satisfaction to the borrowers.

To make this possible, legislation will be introduced to provide for a merging of the share capital of all societies into one fund, an increase in payments to the General Sinking Fund by the societies, and a subscription by the Government to shares equal to the paid-up capital of all the societies. Provision will also be made for the creation of a Board to handle the entire Capital and Reserve Funds, and to invest the said Funds for the purpose of building up adequate reserves.

It is felt that with a return to more normal conditions, under the new legislation, the societies will in time be able to function without Government assistance by way of guarantee.

CO-OPERATIVE MARKETING ASSOCIATIONS

For many years a vote was carried in the estimates of the Department of Agriculture for the purpose of encouraging co-operation. Grants and advances for comparatively small sums were made to various organizations which were trying to find co-operative solutions for many of their marketing problems. Undoubtedly much of this early work later proved to be of value, as those experiments helped to establish many of the sound principles that have since been followed by the successful Associations.

In the Session of 1929 an Act was passed making it possible for the Government to authorize guarantees so that credit would be

available to Co-operative Marketing Associations for the purpose of providing the plant and equipment necessary for the conduct of these businesses.

Guarantees have been given by the Province to the various Co-operative Dairy and Milk Producers' Associations to the extent of \$412,095, the amount of the guarantee in each case being limited to 85% of the capital expenditure made by these Associations. Some difficulties were met in the early stages of operation, but these have nearly all been overcome. The volume of both butterfat and whole milk handled by the various units shows a substantial increase. The two largest Dairy Producers' Associations have been able to reduce their capital loans and pay a bonus of one cent per pound on butterfat delivered by the members. The amount of butterfat handled by these four Associations during the past year totalled 2,697,312 pounds, an increase of over 400,000 pounds compared with the previous period. Both the Co-operative Milk Producers' Associations have made headway, and despite the difficult year, the value of their plants as going concerns has increased, due to the volume of business handled, with a corresponding increase in the value of the security held by the Government. Everything indicates that the Associations will be able to liquidate their indebtedness more speedily than might have been anticipated and with a minimum of inconvenience to themselves.

WHEAT POOL GUARANTEE

At the last session of the Legislature, an Act was passed approving of an agreement between the Government of the Province and several of the Banks of Canada, whereby the Government in a certain measure guaranteed the said Banks against loss in connection with advances made by the Banks to the Canadian Wheat Pool against the 1929 crop and the unsold portion of the 1928 crop.

Provision was made in the said Act for a charge on all the assets of the Alberta Wheat Pool as security to the Province for any liability that might be incurred under the guarantee.

Legislation of a similar nature was introduced in the Legislatures of Manitoba and Saskatchewan, and duly became law in those Provinces.

"At the time this agreement was executed, no over-payment by the Pool had developed. Beginning about June, last year, a steady decline in prices commenced, which decline continued until the end of last year, the lowest point being reached on December 26th last, when the cash closing price reached the new low level of 50 $\frac{5}{8}$ c per bushel, basis, one Northern, Fort William. This is the lowest price ever recorded for Canadian wheat."

This drastic decline not only wiped out the 15 per cent margin of safety required by the banks, but it showed that a substantial over-payment had been made to the growers delivering grain to the Pool. That is to say, the Selling Agency was able to secure for this wheat less money than already had been paid to the growers of such grain. It is for this overpayment to Alberta growers delivering grain to the Pool that this Government is liable under its guarantee. The amount of this contingent liability cannot, of course, be definitely ascertained until all of the 1929 crop is sold.

In order to give the House some approximate information of the liability of this Province under the guarantee, a valuation of unsold stocks has been obtained at as recent a date as possible, namely: February 16th, 1931. On this estimate the contingent liability of the Pool is approximately \$5,584,558, made up as follows:

Overpayment on 1929, estimated as of said date	\$6,284,558.00
Less undistributed portion of surplus on 1928 Crop	700,000.00
	<u>\$5,584,558.00</u>

Should any improvement in price over the levels of February 16th take place, the amount will be reduced. Should any such improvement in price take place, it is expected that at least the 1% commercial reserve deduction will be made from this year's crop, which will reduce the liability by over \$400,000.

In order that the Government might be protected against this contingent liability, the Government prior to the passing of the said Act took a charge upon all the assets and undertakings of the Alberta Wheat Pool. This has since been implemented by more definite security, particulars of which will subsequently be placed before the House. Without reciting in detail the various items forming this security, a conservative estimate of the values of the terminal properties, cottages, country elevators, equipment and current assets is approximately \$8,600,000. These securities are subject to any claims from the Banks in connection with advances made to the Alberta Wheat Pool for the financing of the present crop.

The Government does not anticipate there will be any ultimate loss, in view of the large paying possibilities of the Pool and of the elevator system.

The Government will bring forward at this Session legislation specifically dealing with the liabilities, when details of the securities will be placed before the members.

ALBERTA SAVINGS CERTIFICATES

The Alberta Savings Certificates Office continues to function to the benefit of the thrifty-minded. Public approval of this system has been demonstrated, not only in the oral and written commentaries of customers, but in the increase in the number of new accounts. In 1930 two hundred and twenty additional accounts were opened.

The total amount on deposit at December 31st last was *\$9,676,206.73. This is a considerable decrease from last year, accounted for by the temporary withdrawal of funds during the world-wide business depression of the past year.

The last three months of 1930 and the first month of the new year, however, show a gradual increase in deposits, which may indicate a return of confidence among our people. In January, 1931, the deposits exceeded withdrawals by \$382,774.53, thereby bringing the total well beyond the \$10,000,000 mark.

The cost of overhead and management remains at a low level, the ratio for the year being only 0.19%.

* Refer to Statement No. 3, Pages 20-21, Analysis of Funded and Unfunded Debt.

CAPITAL BORROWINGS AND BONDED DEBT

The trend of prices of high-grade securities during 1930 continued upward, marking the continuance of the improvement dating from the latter part of 1929.

While the cost of long-term borrowing during 1929 was over 5%, the Thirty-year issue of May 1st, 1930, was marketed by the Province on a basis of 4.92%. A considerable strengthening was evidenced after this, but the short-term market proved more attractive to the Province for the balance of its borrowings during the year.

The following issues were floated during 1930:

\$3,000,000.00—4½%—May 1, 1930—30-year Debentures.

\$1,000,000.00—4½%—May 1, 1930—50-year Refunding Debentures.

\$6,935,000.00—3½%—Oct. 15, 1930—6-months Treasury Bills.

The last mentioned short-term obligation was marketed at the very satisfactory cost of 3.56%, representing a large saving in interest charges to the Province during the currency of the Bills, compared with the best offering for long-term securities.

The net funded and unfunded debt of the Province as at December 31st, 1930, amounted to \$114,761,088.00. This is made up of \$113,801,572.90 gross debenture debt* less Sinking Fund, \$5,148,167.40, leaving a net debenture debt of \$108,653,405.50, to which must be added the net unfunded debt of \$6,107,682.50, bringing the net total to \$114,761,088.00. Of this amount there are self-sustaining assets aggregating \$37,073,931.40, bringing the net general debt to \$77,687,156.60. You will find details of these amounts on Page 7 of the interim accounts you have before you, and a statement of the assets represented by the last mentioned amount.

REFUNDING AND NEW CAPITAL REQUIREMENTS

The Province has a very heavy financial programme during the next fiscal year. In addition to the new borrowings arising out of the estimates, and to fulfil statutory requirements, there are securities in the form of Treasury Bills and Debentures maturing to the amount of over ten million dollars.

Since, however, the debentures maturing bear 6% interest, there will be a considerable saving in interest charges on the refunding issues, according to present market indications.

In order to accomplish the large amount of financing to the best advantage, the Province has appointed a fiscal agency to advise with respect to the terms and times of flotations. Under this arrangement the Province reserves the right to fix the price at which debenture issues will be sold, and also to cancel without notice the agency at any time, if this should be considered desirable.

On similar occasions, when the Province has been confronted with an extra large amount of financing within a short period, the fiscal agency plan has been adopted. The results in the two cases where we have followed this procedure have been eminently satisfactory.

* For details of Debenture Debt refer to Statement No. 2, Pages 18-19.

PUBLIC ACCOUNTS

Dealing now with the final statements for the fiscal year ended March 31, 1930, you have before you the printed Public Accounts for that period. These accounts show a surplus of \$582,170.51 as follows:

General Revenue	\$426,980.65
Telephones	155,189.86
	<u>\$582,170.51</u>

Excluding telephones, ordinary revenue exceeded the estimates by \$718,781.85, and expenditure by \$336,977.05, a net improvement of \$381,804.80 over the estimated surplus of \$45,175.85.

The following main sources of revenue exceeded the estimates by the amount shown against each:

Dominion of Canada:

School Lands Fund Interest.....	\$ 90,702.82
Technical Education Subvention.....	33,853.03
Amusement Tax	46,897.36
Corporations Tax	98,724.74
Railway Mileage Tax.....	24,321.83
Succession Duties	522,301.80
Auto Licenses	180,413.91
Fines	43,909.53
Liquor Profits	36,435.50

On the expenditure side the following items exceeded the provision in the estimates:

Grants to Schools.....	\$149,858.79
Maintenance of Buildings.....	12,589.33
Care of the Mentally Diseased.....	33,290.55
Grants to Hospitals.....	84,076.58
Unemployment Relief	157,900.02
Highways, Bridges and Ferries—	
Maintenance and Operation	27,908.75
Children's Protection	23,098.75
Charitable Purposes and Care of Incurables.....	15,685.07
Mothers' Allowances	18,654.87

Full particulars of the foregoing are contained in the Public Accounts.

REVENUE

Revenue for the said fiscal year may be shortly summarized as follows:

Particulars—	Actual	Per Capita	Per Cent of Revenue
Dominion of Canada.....	\$2,523,681.38	\$3.93	15.94%
Taxes	5,550,047.52	8.66	35.07
Licenses	2,289,247.14	3.57	14.46
Fees	1,264,224.91	1.97	7.99
Fines and Penalties.....	160,909.53	.25	1.02
Profits from Trading Activities	2,597,339.61	4.06	16.41
Miscellaneous	100,453.97	.16	.63
Refunds of Expenditure.....	565,035.76	.88	3.56
From Revenue-producing Assets.....	778,925.40	1.22	4.92
	<u>\$15,829,865.22</u>	<u>\$24.70</u>	<u>100 00%</u>

EXPENDITURE

Expenditure has been classified in a similar manner as follows:

Particulars—	Actual	Per Capita	Per Cent of Revenue
Debt Charges	\$4,998,448.74	\$7.80	31.58%
Education	2,605,901.00	4.07	16.46
Legislation	221,488.22	.35	1.40
General Government	1,245,074.81	1.94	7.86
Miscellaneous	20,728.15	.03	.13
Administration of Justice.....	1,147,456.47	1.79	7.25
Agricultural Research and Develop- ment	1,005,895.39	1.58	6.35
Public Welfare, Institutions and Charitable Grants	2,866,096.40	4.47	18.11
Highways, Bridges and Ferries.....	1,187,108.75	1.85	7.50
Commissions and Fines paid to Municipalities, and Refunds.....	104,686.64	.16	.66
	<u>\$15,402,884.57</u>	<u>\$24.04</u>	<u>97.30%</u>
Surplus.....	426,980.65	.66	2.70
	<u>\$15,829,865.22</u>	<u>\$24.70</u>	<u>100.00%</u>

Following the practice adopted at the last Session, an analysis of the receipts and expenditures for the nine months ending December 31st, 1930, as compared with the same period in 1929, has been placed before you. I have not thought it necessary to enter into any detailed examination or analysis of these statements, as they cannot by themselves give any accurate index of what the final results of the year may be. They do show at the end of the nine months a very large difference between revenue and expenditures. It must be remembered, however, that revenue collections during the last quarter of the fiscal year, that is, between the 31st of December and the 31st of March, exceed expenditures by a very considerable sum, due to the fact that revenues from Motor Licenses, Dominion Subsidies and other sources fall due during this period. The final report for the fiscal year ending March 31st, 1931, should show a considerable improvement over the interim statement for the nine months. However, it may be taken for granted that when the final figures are available, this Province, for the first time in six years, will show a deficit. As a contributory factor to this result, it must be remembered also that the Province has advanced by way of grants to schools and in other ways to relieve our economic conditions, large sums that otherwise would not have been payable during the present fiscal year. The Government is confident, too, that our final result this year will not be out of line with the experiences of the Government of Canada and the other provinces in this respect, with the possible exception of the Province of Quebec.

In passing, it should be pointed out with some emphasis that the result of the present fiscal year cannot be taken as any indication of the probable result of the coming fiscal year, for various reasons. First: because it is probable that the greatest weight of the present depression so far as Provincial finances are concerned, fell during the last Fall and Winter. Secondly: for the reason that an entirely new element of considerable promise has entered into our financial calculations, in the revenue to be derived in the administration of our Natural Resources. Also, our expenditures will be materially lightened if, as we confidently expect, Old Age Pensions are assumed by the Federal Government.

ESTIMATES

The preparation of these Estimates has involved much more study and thought than for some years past. Having regard to immediate conditions throughout the Province, and the uncertainty as to how much improvement may be properly expected during the coming fiscal year, proposed new services have been postponed and services now given that are not strictly essential to our social or economic well-being have been restricted. Should present conditions continue without promise of improvement for another year, a more rigid restriction of services and expenditure may prove necessary.

As stated before during this Session, however, the Government does not believe such a viewpoint is yet justified. It believes that present levels cannot and will not continue. Moreover, the Government believes that any sudden widespread restriction of public services would only add unnecessarily to the depression of the moment and that its efforts should be devoted to encouraging the return of confidence which must be the forerunner of better times.

No effort has therefore been made to strengthen the revenues of the Province by new imposts, neither has it been deemed wise to effect such a complete reduction of expenditures as to effect an even balance.

Estimated Revenue on Income Account is \$17,237,457.17*.

Ordinary Expenditure is estimated at \$17,624,798.78*.

There is, therefore, an estimated deficit of \$387,341.61*.

In this estimate, provision has been made to carry Old Age Pensions for a portion of the year. If this burden is assumed by the Federal Government without undue delay, such relief will be almost sufficient to make Revenue and Expenditure balance.

It is also the hope of the Government to effect some substantial improvement in these Estimates by a careful survey of the cost of all branches of administration during the year.

TAXATION

For the reason already stated the Government has refrained from any form of additional taxation for the ensuing year. On the contrary, a reduction is being effected in one respect.

Last year the Province of Saskatchewan reduced its automobile license fees by \$5.00. This has resulted in throwing the scale of fees in the Province out of line with those of the other Western Provinces of Canada, with the exception of the Province of British Columbia.

We now have a very large investment in our Provincial Highways System, for the protection of which it is desirable there should be no falling off in the large source of revenue derived from the Gasoline Tax. Having regard to general monetary conditions, in order to encourage the operation of cars and trucks now owned by our people, the Government has thought it advisable, effective as from January 1st, to bring our license fees to the level of those in Saskatchewan. With the new rates in effect the license fees in Western Canada will be:

* A comparative Statement of Revenue and Expenditure showing Estimates for the Fiscal Year 1931-32, compared with Estimates for 1930-31 and Actual for 1929-30, appears on Page 22.

	<i>Minimum</i>	<i>Maximum</i>
Manitoba	\$ 9.90	\$29.00
Saskatchewan	10.00	30.00
Alberta	10.00	30.00
British Columbia	22.50	up

Manitoba has an annual car driver's license of \$1.00, which practically makes the three Prairie Provinces the same in license fees. Alberta has a charge of 50c for a driver's license, which is not an annual charge. British Columbia has an additional charge of \$10.00 for first registration of cars, but this is not annual.

To what extent the reduction of Motor Vehicle licenses will affect the revenue of the Province remains to be seen. There is no doubt, however, that if it were not made, there would be a considerable number of idle cars in the Province, with the result that the gasoline tax would be less.

You will have heard and will continue to hear much discussion of the present depression, its causes and its probable duration. Out of all the discussion one fact stands out very clearly, namely: that it is almost world-wide. It is international.

The privilege is not given, however, to the rank and file of our people to compare conditions and opportunities existing in our Province with those of other countries. Oppressed by the decline in their own purchasing power, their vision becomes centred on conditions immediately around them.

Information is now coming to us from many sources, however, to show how much lighter the blow has fallen here than elsewhere. We read of the tremendous burden of unemployment relief in England, in Germany, and of the desperate plight of the Oriental countries.

Newspapers from the United States are only now revealing the plight of many of the Agricultural States of the Union. We read of the economic crisis in Australia and the South American States.

While there may not be much comfort in the suggestion by itself that other countries may be suffering worse than our own, there is satisfaction in the lesson that fact has for us, that is: that with all the mistakes of over-optimism, too hasty immigration and land settlement schemes, of over-speculation and extravagant spending, still our own country has shown more resilient opposition to the world-wide wave of depression than have others. It has stood up more strongly to the shock.

It is equally true that the same inherent strength of a new country, its great recuperative powers, will show themselves when the tide of more prosperous times again sets in.

In presenting this Budget, the Government does so with quiet confidence that the lowest level has been reached, and that imperceptibly, perhaps, but none the less surely, the road we travel is beginning to rise from the depths of the valley. Our task is to study with intelligence and patience the immediate necessities of the day, and plan with wisdom and courage to improve the opportunities of the morrow.

I move, that Mr. Speaker do now leave the chair, and that this Assembly do immediately resolve itself into Committee of Supply, to consider the supply to be granted to His Majesty.

STATEMENT No. 1

GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF AGRICULTURAL PRODUCTION, 1929-30

Publicity and Statistics Branch, Department of Agriculture, Edmonton, Alberta

Acreage Acres	Yield per Acres Bush.	Total Yield Bush.	Price	Value	Acreage Acres	Yield per Acres Bush.	Total Yield Bush.	Price	Value
1929									
FIELD CROPS									
7,422,962	11.9	88,181,000	\$ 1.14	\$100,526,000	Spring Wheat	18.5	130,240,000	\$ 0.39	\$ 50,794,000
128,253	18.3	2,353,000	1.08	2,541,000	Winter Wheat	21.5	2,660,000	0.39	1,037,000
7,551,215	12.0	90,534,000	1.14	\$103,067,000	All Wheat	18.6	132,900,000	0.39	\$ 51,831,000
1,917,744	21.9	41,936,000	0.49	20,549,000	Oats	36.0	77,940,000	0.15	11,691,000
703,704	17.8	12,514,000	0.51	6,382,000	Barley	25.4	18,999,000	0.14	2,660,000
195,539	12.0	2,372,000	0.80	1,906,000	Rye	15.0	3,714,000	0.15	557,000
12,639	5.0	63,000	2.22	140,000	Flax	6.8	190,000	0.95	181,000
15,290	23.4	358,000	0.65	233,000	Mixed Grains	31.3	560,000	0.17	95,000
1,483	12.3	18,000	1.60	29,000	Peas	16.0	21,000	1.10	23,000
377	8.0	3,000	2.40	7,000	Beans	300	3,600	1.50	5,400
3,500	2.14	7,500	18.00	135,000	Alfalfa Seed	3,600	8,330	18.00	150,000
10,401,491		147,805,500		\$132,448,000	Total Field Crops	10,375,100	234,335,930		\$ 67,193,400
ROOT CROPS									
Acres	Cwt.	Cwt.	Acres	Cwt.	Cwt.	Cwt.	Cwt.		
27,822	36.7	1,022,000	30,100	84.0	2,536,000	84.0	2,536,000	\$.80	\$ 2,029,000
4,858	66.1	321,000	5,500	101.2	556,000	101.2	556,000	.75	417,450
	Tons	Tons		Tons	Tons	Tons	Tons		
6,600	9.09	60,000	14,500	9.0	131,000	9.0	131,000	6.55	858,000
39,280			50,100						\$ 3,304,450
FODDER CROPS									
Acres	Tons	Tons	Acres	Tons	Tons	Tons	Tons		
1,600,000	1.25	2,000,000	1,750,000	1.75	3,063,000	1.75	3,063,000	\$ 6.50	\$ 19,910,000
343,752	1.12	384,000	351,800	1.47	517,000	1.47	517,000	9.00	4,653,000
38,072	2.15	82,000	33,200	2.10	70,000	2.10	70,000	13.00	910,000
13,500	3.11	42,000	273,000	3.75	67,500	3.75	67,500	7.00	472,500
11,501	7.50	86,257	258,771	8.75	88,874	8.75	88,874	3.00	266,600
2,006,825		2,594,257	2,163,157		3,806,374		3,806,374		\$ 26,212,100
Total Fodder Crops									

1929				1930			
No. of Creameries or Factories	Total Production Lbs.	Price Cents	Value	DAIRY PRODUCTS			Value
				Particulars	No. of Creameries or Factories	Total Production Lbs.	
95	16,004,463	36.39	\$ 5,825,247	Creamery Butter (Creameries)	94	17,500,000	\$ 4,856,250
10	1,001,475	19.78	198,047	Cheese (Factories)	8	980,000	166,600
			14,726,706	Other Dairy Products			13,652,650
			\$20,750,000	Total Dairy Products			\$18,675,500
Production, Lbs.	Price	Value	MISCELLANEOUS PRODUCTS				Value
			Production, Lbs.	Price	Value		
521,790	\$.15	\$ 78,268	Honey	1,578,948	\$.10	\$ 157,895	
3,050,000	.15	457,500	Wool	3,095,000	.09½	294,025	
		11,000,000	Poultry Products			11,500,000	
		2,473,190	Game and Furs			1,183,870	
		40,418,360	Animals Slaughtered and Sold			32,699,938	
		\$54,427,318	Total Miscellaneous Products			\$45,835,728	

SUMMARY OF AGRICULTURAL PRODUCTION, 1929-1930

1929 Acres	Acreage Under Cultivation	1929		1930	
		Value of Production	1929	Value of Production	1930
12,447,596	Field, Root and Fodder Crops	\$166,874,771	Field, Root and Fodder Crops	\$ 96,709,950	
3,068,604	Summerfallow	20,750,000	Dairy Products	18,675,500	
818,222	Breaking this year	54,427,318	Miscellaneous Products	45,835,728	
16,334,422	Total Acreage under Cultivation	\$242,052,089	Total Value of Production	\$161,221,178	

NOTE—The above statement is an estimate of the market value only of agricultural products. Not all of the crops mentioned are cash crops, as the market value of some of the fodder crops is included again in live stock marketed. The statement presented is merely an effort to estimate the market value of products.

HON. GEORGE HOADLEY,
Minister of Agriculture.

PUBLICITY AND STATISTICS BRANCH,
Department of Agriculture,
January, 1931.

STATEMENT No. 2

GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT OF BONDED DEBT AS AT 31ST DECEMBER, 1930

Date of Issue	Date of Maturity	Amount	Interest Rate	General Revenue	Telephones	Where Payable
May 1, 1921	May 1, 1931	\$1,000,000.00	6%	\$1,000,000.00	.....	M., T., E., N.Y.
September 1, 1921	September 1, 1931	2,100,000.00	6%	2,100,000.00	.....	M., T., E., N.Y.
November 1, 1923	November 1, 1933	3,000,000.00	5½%	3,000,000.00	.....	M., T., E., N.Y.
January 15, 1921	January 15, 1936	2,000,000.00	6%	1,000,000.00	\$1,000,000.00	M., T., E.
April 1, 1921	April 1, 1936	3,200,000.00	6%	1,000,000.00	2,200,000.00	M., T., E.
November 1, 1921	November 1, 1936	1,250,000.00	6%	1,000,000.00	250,000.00	M., T., E.
June 1, 1908	June 1, 1938	2,000,200.00	4%	.....	2,000,200.00	M., T., E., L.
January 1, 1919	January 1, 1939	1,000,000.00	5½%	1,000,000.00	.....	M., T., E., N.Y.
January 15, 1924	January 15, 1939	2,500,000.00	5%	2,500,000.00	.....	M., T., E., N.Y.
June 1, 1924	June 1, 1939	750,000.00	5%	750,000.00	.....	M., T., E.
September 1, 1924	September 1, 1939	250,000.00	5%	250,000.00	.....	E.
February 15, 1924	February 15, 1940	2,000,000.00	5%	2,000,000.00	.....	M., T., E., W., V.
February 15, 1925	February 15, 1940	750,000.00	5%	750,000.00	.....	M., T., E., Vic.
July 15, 1926	July 15, 1941	750,000.00	4½%	750,000.00	.....	M., T., E., N.Y., L.
September 1, 1921	September 1, 1941	2,250,000.00	6%	2,250,000.00	.....	M., T., E.
October 1, 1921	October 1, 1941	1,800,000.00	6%	.....	1,800,000.00	M., T., E.
October 1, 1921	October 1, 1941	1,053,230.68	6%	.....	1,053,230.68	M., T., E.
December 1, 1921	December 1, 1941	700,000.00	6%	420,000.00	280,000.00	M., T., E., N.Y.
January 15, 1927	January 15, 1942	1,230,000.00	4½%	1,250,000.00	.....	M., T., E., N.Y., Vic.
July 1, 1927	July 1, 1942	150,000.00	4½%	150,000.00	.....	M., T., C., E., Vic., N.Y.
September 15, 1922	September 15, 1942	2,948,000.00	5%	729,724.41	2,218,275.59	M., T., E., N.Y.
Converted Stock	November 1, 1942	54,535.87	4½%	10,907.18	43,628.69	L.
April 1, 1923	April 1, 1943	3,500,000.00	5%	1,500,000.00	2,000,000.00	M., T., E., N.Y.
July 2, 1923	July 1, 1943	2,000,000.00	5%	2,000,000.00	.....	M., T., E., L.
Stock Debentures	November 1, 1943	3,119,106.35	4½%	1,871,463.81	1,247,642.54	L.
June 15, 1925	June 15, 1945	2,250,000.00	4½%	2,250,000.00	.....	M., T., E., N.Y.
January 15, 1926	January 15, 1946	3,750,000.00	4½%	3,750,000.00	.....	M., T., E., N.Y., L.
January 2, 1922	January 1, 1947	3,846,000.00	5½%	1,846,000.00	2,000,000.00	M., T., E., N.Y.
January 1, 1923	January 1, 1948	4,800,000.00	5%	4,800,000.00	.....	M., T., E., N.Y.
April 15, 1925	April 15, 1950	3,740,000.00	5%	3,272,000.00	468,000.00	M., T., E., N.Y.

April 1, 1922	April 1, 1952	3,000,000.00	5½%	3,000,000.00	M., T., E., N.Y.
October 15, 1924	October 15, 1954	1,000,000.00	4½%	1,000,000.00	M., T., E., W., Vic.
July 15, 1925	July 15, 1955	500,000.00	5%	500,000.00	M., T., E., N.Y.
October 1, 1926	October 1, 1956	4,756,394.35	4½%	1,243,605.65	M., T., E., N.Y.
January 15, 1927	January 15, 1957	1,275,000.00	4½%	.....	M., T., E., Vic., N.Y.
December 1, 1927	December 1, 1957	1,850,000.00	4%	.....	M., T., C., E., Vic., N.Y.
July 16, 1928	July 16, 1958	3,500,000.00	4½%	692,000.00	M., T., E., W., C., V., N.Y., L.
October 1, 1928	October 1, 1958	5,915,000.00	4½%	.....	M., T., E., W., C., V., N.Y., L.
October 1, 1929	October 1, 1959	6,000,000.00	5%	2,086,500.00	M., T., E., W., C., V., N.Y., L.
May 1, 1930	May 1, 1960	3,000,000.00	4½%	.....	M., T., E., W., C., V., N.Y.
July 1, 1926	July 1, 1966	546,000.00	4½%	.....	M., T., E., N.Y.
June 1, 1927	June 1, 1967	5,239,500.00	4½%	1,369,000.00	M., T., E., Vic., N.Y., V.
February 15, 1924	February 15, 1974	500,000.00	5%	.....	E.
July 15, 1924	July 15, 1974	250,000.00	5%	.....	E. Vic.
June 15, 1925	June 15, 1975	130,000.00	5%	.....	E. Vic.
May 1, 1930	May 1, 1980	1,000,000.00	4½%	M., T., E., Van., N.Y., C.
A. and G.W. Rly., Jan. 1, 1909	January 1, 1959	7,400,000.00	5%	L.
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Less: Total Sinking Funds		\$84,914,489.75		\$21,952,083.15	
		3,851,662.07		1,296,505.33	
		\$81,062,827.68		\$20,655,577.82	
Add: 3½% Treasury Bills due April 15, 1931, to be refunded by permanent issue		4,165,500.00		2,769,500.00	
Net Debt		\$85,228,327.68		\$23,425,077.82	

Abbreviations: M., Montreal; T., Toronto; E., Edmonton; L., London, Eng.; C., Calgary; N.Y., New York; W., Winnipeg; V., Vancouver; Vic., Victoria.

STATEMENT No. 3

GOVERNMENT OF THE PROVINCE OF ALBERTA

ANALYSIS OF FUNDED AND UNFUNDED DEBT

The net funded and unfunded debt at December 31, 1930, amounted to \$114,761,088.00, made up and accounted for as follows:

Funded Debt, Bonds and Debentures.....	\$113,801,572.90	
Less: Sinking Funds.....	5,148,167.40	
Net Funded Debt.....	\$108,653,405.50	
Unfunded Debt:		
Savings Certificates.....	\$ 9,676,206.73	
Less: Special Investment Fund.....	6,075,613.26	
	\$ 3,600,593.47	
Add: Bank Overdraft.....	166,576.13	
Temporary Loans.....	1,000,000.00	
Superannuation Fund.....	1,176,442.44	
Miscellaneous Liabilities.....	164,070.46	
Net Unfunded Debt.....	6,107,682.50	
Net Funded and Unfunded Debt.....	\$114,761,088.00	
Accounted for as follows:		
Realizable or Income-Producing Assets:		
Alberta Government Telephones.....	\$24,721,583.17	
Railways, Balance Owing by Canadian Pacific		
and Canadian National Railways.....	10,580,000.00	
Elevator Loans.....	477,395.24	
Working Advances:		
Registered Seed.....	\$ 45,000.00	
Cattle Feeding.....	15,500.00	
Butter Grading and Marketing.....	25,000.00	
Egg and Poultry Marketing.....	83,000.00	
Fur Marketing.....	2,000.00	
Alberta Liquor Control Board.....	500,000.00	
School Book Branch.....	81,516.48	
School Treasurers' Bonds.....	4,377.78	
Public Works Stock Advance.....	474,016.07	
King's Printer's Advance.....	64,542.66	
	1,294,952.99	
	37,073,931.40	
Net General Debt.....	\$77,687,156.60	
General Assets:		
Public Buildings.....	\$16,508,555.57	
Roads, Bridges and Ferries.....	28,101,423.51	
Other Public Works.....	690,717.91	
Repayable Advances and Loans:		
Seed Grain and Relief.....	\$3,796,263.53	
Live Stock Encouragement Act.....	729,093.96	
School Districts.....	349,097.25	
Normal School Students.....	267,688.73	
Drainage and Irrigation Districts.....	106,237.20	
Alberta Government Telephones.....	100,000.00	
Canada Land and Irrigation Co.....	70,944.16	
Miscellaneous.....	105,905.56	
Carried Forward.....	\$5,525,230.39	\$45,300,696.99
		\$77,687,156.60

General Assets—Continued:

Brought Forward	\$45,300,696.99	\$77,687,156.60
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Repayable Advances and Loans—Continued:

Brought Forward	\$5,525,230.39
University of Alberta	4,393,502.63
University Hospital Board	361,715.09
Lethbridge Northern Irrigation Dis-	
trict	3,207,052.51
Advances to Trust Account	27,649.99

13,515,150.61

Unemployment Relief Dominion Scheme	288,448.42
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Miscellaneous Assets	518,006.96
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Intangible Assets:

Loss on Operation and Sale of	
Railways	\$11,440,575.34
Discounts Less Premiums on De-	
bentures	3,091,879.27
Relief	1,213,565.51
War Gifts and Expenses	573,941.30
Grants for Bridges	400,000.00
Miscellaneous	1,413,481.77

\$18,133,443.19

Less Provision for Depreciation	
and Bad Debts Arising from	
Sinking Fund Reserve, General	
Reserve, and Capital Surplus	7,225,091.83

10,908,351.36

70,530,654.34

Balance Being Advances to Income Account Against Taxes,

Accounts Receivable and Income Deficit	\$ 7,156,502.26
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STATEMENT No. 4

GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF REVENUE AND
EXPENDITURE

INCOME ACCOUNT

DETAILS	Estimates for the Fiscal Year 1931-32	Estimates for 1930-31	Compared with Actual for 1929-30
REVENUE			
Dominion of Canada	\$ 1,670,435.00	\$ 1,670,435.00	\$ 1,576,685.00
Agriculture Department	320,830.00	319,999.00	256,195.20
Attorney General's Department	3,842,620.00	4,227,820.00	4,457,187.26
Education Department	231,800.00	220,310.00	273,698.53
Executive Council	56,950.00	66,100.00	68,554.05
Legislation	2,010.00	2,010.00	4,253.78
Municipal Affairs Department	1,526,500.00	1,641,000.00	1,449,679.43
Provincial Secretary's Department	5,523,600.00	5,825,600.00	5,183,916.08
Public Health Department	432,575.00	471,455.00	420,865.30
Public Works Department	111,000.00	110,400.00	102,397.38
Railways and Telephones Department (Railways Branch)	431,350.00	387,456.00	76.69
Treasury Department	1,173,982.17	1,042,442.76	1,281,487.08
Lands and Mines Department	1,913,805.00	315,500.00	329,175.95
	<u>\$17,237,457.17</u>	<u>\$16,300,527.76</u>	<u>\$15,404,171.73</u>
Railways and Telephones Department (Telephones Branch)	<u>\$ 3,880,000.00</u>	<u>\$ 4,045,040.00</u>	<u>\$ 3,826,017.02</u>
EXPENDITURE			
Public Debt	\$ 6,143,812.50	\$ 5,826,589.89	\$ 4,998,448.74
Executive Council	377,892.00	327,577.00	429,851.38
Legislation	256,130.00	247,450.00	238,767.14
Agriculture Department	675,686.66	705,904.50	780,817.83
Attorney General's Department	1,516,223.00	1,485,998.33	1,478,885.36
Education Department	2,626,925.00	2,624,746.17	2,593,509.10
Municipal Affairs Department	203,230.00	191,960.00	157,292.51
Provincial Secretary's Department	93,408.34	84,916.63	124,216.82
Public Health Department	1,601,282.31	1,590,671.15	1,506,309.30
Public Works Department	2,774,111.00	2,527,494.00	2,164,984.66
Railways and Telephones Department (Railways Branch)	72,898.97	39,426.09	46,622.86
Treasury Department	581,890.00	559,334.00	417,996.51
Lands and Mines Department	701,309.00	42,110.00	39,488.87
	<u>\$17,624,798.78</u>	<u>\$16,254,177.76</u>	<u>\$14,977,191.08</u>
Railways and Telephones Department (Telephones Branch)	<u>\$ 3,869,500.00</u>	<u>\$ 4,017,649.00</u>	<u>\$ 3,670,827.16</u>